Special Risks to Consider About This Franchise

Certain states require that the following risk(s) be highlighted:

- 1. Out-of-State Dispute Resolution. The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Missouri. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Missouri than in your own state.
- 2. <u>Financial Condition</u>. The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
- 3. <u>Mandatory Minimum Payments</u>. You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
- 4. Turnover rate. During the last 3 years, 102 outlets were terminated, not renewed, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.
- 5. Unopened Franchises. The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

	for purposes here, the term "commission" includes any fee/non-cash consideration/benefit you receive in lieu of commission. We charge a convenience fee on royalties paid by credit card at the current standard rate. At this time, the convenience fee is 5%, but the rate can fluctuate from year to year.		start when you begin operations during a given year and end on December 31st of that year) and your last period (which will start on January 1st and end on the date you cease operations).
Affiliation Fee	\$45 per month with amount subject to change. You and each of your licensed agents and/or your auctioneers will be required to pay a monthly Affiliation Fee of \$45, which will provide for Errors & Omissions Insurance, individual Bullseye Productivity Platform account services, online training, Learning Academy Services, Broker on-boarding and support, standard level AssociatePower! membership for agent training and support, and United Country Real Estate awards program for all United Country Real Estate brokers, agents and auctioneers. If Errors & Omissions insurance is not offered in your state under our group policy, the monthly Affiliation Fee will be \$20 per month (subject to change) per you and each of your licensed agents and/or your auctioneers.	each month.	The monthly Affiliation Fee will be charged to the individual credit cards of each licensed broker, auctioneer and agent in your office, including yourself (although you may use your company credit card for payment of your personal Affiliation Fees). Should any Affiliation Fee owed by you or one of your brokers/agents/or auctioneers become more than 60 days delinquent, we will charge your company credit card for payment.
Technology Services Fee	Currently your choice of Option 1: \$400 per month which shall be the default option or Option 2: \$200 per transaction capped after the first 24 transactions on a yearly basis (\$200 per month or \$100 per transaction capped after the first 24 transactions on a yearly basis for a mobile franchise) which covers our provision of technology services to you, including access to and maintenance of the Bullseye Productivity Platform, email services, website maintenance; field and home office technology support, search engine optimization for our proprietary websites, listing syndication to third party websites, leads of potential buyers, auction technology, specialty websites and other	transaction basis if per transaction basis option is requested.	Services Fee permits

technological services; Technology Services Fee may be increased by us as		
we make further technology services		
available to you.		

Conditional or Optional Fees and Costs

Type of Fee	Amount	Due Date	Remarks
Auction Royalties	If your Broker Office handles real estate property auctions, you will owe your qualifying flat rate royalty percentage on commissions/fees received by you on those real estate property auctions. For personal property auctions, the royalty due us is 5% of the commission/fee received by you.	closing of	
Minimum Royalties	If royalties paid to us are less than \$2,400 in any 6-month calendar period, you must pay the difference between \$2,400 and the amount of royalties you did pay us in that 6-month calendar period. If royalties paid exceed \$2,400 for any 6-month period, no minimum royalty will be due for that period. The minimum royalty requirement amount is reduced to \$1,200 for a mobile franchise.	Within 10 days following close of preceding 6-month calendar period	Royalties paid in period, even if not totaling \$2,400 (\$1,200 for a mobile franchise), offset minimum royalty obligation to extent of payments; your credit card imprint may be used for past due minimums.
Maintenance and Alteration	As needed at Broker Office premises; but we will not require maintenance or alteration costs to exceed your original overall capital expenditure outlay to purchase the franchise and commence opening.	within 60 days of	-
Audit of Business Records Charge	Reimbursement of our costs if a transaction on which royalty is owed is not reported or if an understatement of more than 4% of royalty due is found; in addition, a penalty of \$500 as to each non-reported or underreported transaction/ royalty is due us.	notice from us	Only applies if a transaction engendering royalty obligation is not reported or if audit shows greater than a 4% understatement of royalty due.
Renewal Fee	If Franchise Agreement is renewed at the end of its term length, a renewal fee of 10% of initial franchise fee being charged to new franchises at time renewal is made will be due (For a	of renewal Franchise Agreement	On notice to you, we may elect to non-renew; if we do not give notice of non-renewal, renewal can be made on payment of renewal

11. You are responsible for determining any licensing that may be required for your franchise business and for obtaining the necessary licensing from the California Department of Real Estate or other California regulatory agency for such business. The above discussion of licensing necessary to conduct a Broker Office business in California is only **preliminary** and you and/or your attorney should carefully review California Law regarding operation of a real estate brokerage and auction business to determine whether you need to hold, and will be able to obtain, the required California licenses.

If you currently hold a California real estate broker license, you must notify the California Department of Real Estate to reflect your new Broker Office name.

Municipality or local laws in California may require additional licensing or otherwise restrict your conduct of a Broker Office business. You and/or your attorney should review these matters in connection with the establishment of your Broker Office and conduct of business in California.

- 12. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, any provision of a franchise agreement, franchise disclosure document, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.

ADDENDUM TO DISCLOSURE DOCUMENT FOR THE STATE OF ILLINOIS

1. Item 5 of this Disclosure Document is amended by adding the following:

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

Item 5 is supplemented to reflect that we must defer the payment of all initial fees payable to us until we have fulfilled all of our material pre-opening obligations to you and you have commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

Illinois law governs the Franchise Agreement.

2. The State Cover Page and Item 17 of this Disclosure Document are amended by adding the following: In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside Illinois is void with respect to any action which is otherwise enforceable in Illinois, except that the Franchise Agreement may provide for arbitration outside Illinois. In addition, Illinois law will govern the Franchise Agreement.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to you concerning non-renewal and termination of the Franchise Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act will control.

Any release of claims or acknowledgments of fact contained in the Franchise Agreement that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act will be void and are deleted with respect to claims under the Act.

Section<u>In conformance with section</u> 41 of the Illinois Franchise <u>Disclosure</u> Act—states that ", any condition, stipulation,— or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

ADDENDUM TO DISCLOSURE DOCUMENT FOR THE STATE OF MINNESOTA

1. Item 5 is amended to add the following:

Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

42. The following is added to Item 17 of the Disclosure Document:

Under Minnesota law and except in certain specified cases, we must give you 90 days' notice of termination with 60 days to cure. We also must give you at least 180 days' notice of its intention not to renew a franchise, and sufficient opportunity to recover the fair market value of the franchise as a going concern. To the extent that the Agreement is inconsistent with the Minnesota law, the Minnesota law will control.

To the extent that any condition, stipulation or provision contained in the Agreement (including any choice of law provision) purports to bind any person who, at the time of acquiring a franchise is a resident of Minnesota, or, in the case of a partnership or corporation, organized or incorporated under the laws of Minnesota, or purporting to bind a person acquiring any franchise to be operated in Minnesota to waive compliance with the Minnesota Franchises law, such condition, stipulation or provision may be void and unenforceable under the nonwaiver provision of the Minnesota Franchises Law.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Specifically, we cannot require you to consent to us obtaining injunctive relief, however, we may seek such relief through the court system.

Minn. Rule 2860.4400J prohibits us from requiring you to assent to a general release. To the extent that the Agreement requires you to sign a general release as a condition of renewal or transfer, the Agreement will be considered amended to the extent necessary to comply with Minnesota law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	Pending
Hawaii	PendingMay 24, 2024
Illinois	PendingJune 7, 2024
Indiana	PendingMay 17, 2024
Maryland	PendingJune 7, 2024
Michigan	PendingMay 30, 2024
Minnesota	Pending
New York	Pending
North Dakota	PendingJune 27, 2024
Rhode Island	PendingMay 12, 2024
South Dakota	PendingMay 17, 2024
Virginia	Pending
Washington	Pending
Wisconsin	PendingMay 17, 2024

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

AMENDMENT TO UNITED COUNTRY REAL ESTATE, LLC MEMBER BROKER FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

The United Country R	eal Estate, LLC Member Broker Franchise Agreement between
	("Franchisee" or "You") and United Country Real Estate, LLC
("Franchisor") dated	(the "Agreement") shall be amended by the
addition of the following language	uage, which shall be considered an integral part of the Agreement
(the "Amendment"):	

CALIFORNIA LAW MODIFICATIONS

- 1. The California Department of Financial Protection and Innovation requires that certain provisions contained in franchise documents be amended to be consistent with California law, including the California Franchise Investment Law, CAL. CORPORATIONS CODE Section 31000 et seq., and the California Franchise Relations Act, CAL. BUS. & PROF. CODE Section 20000 et seq. To the extent that the Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:
 - a. California Business and Professions Code Sections 20000 through 20043 provide rights to You concerning termination, transfer or nonrenewal of the Agreement. The Federal Bankruptcy Code also provides rights to You concerning termination of the Agreement upon certain bankruptcy-related events. To the extent the Agreement contains a provision that is inconsistent with these laws, these laws shall control.
 - b. If Franchisee is required in the Agreement to execute a release of claims, such release shall exclude claims arising under the California Franchise Investment Law and the California Franchise Relations Act.
 - c. If the Agreement requires payment of liquidated damages that is inconsistent with California Civil Code Section 1671, the liquidated damage clause may be unenforceable.
 - d. If the Agreement The franchise agreement contains a covenant not to compete which extends beyond the expiration or termination of the Agreement, the covenant may be unenforceable franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California law Business and Professions Code Section 16600.
 - e. If the Agreement requires litigation, arbitration or mediation to be conducted in a forum other than the State of California, the requirement may be unenforceable under California law.
 - e. For franchisees operating outlets located in California, the California
 Franchise Investment Law and the California Franchise Relations Act will
 apply regardless of the choice of law or dispute resolution venue stated
 elsewhere. Any language in the Franchise Agreement or any amendment
 thereto or any agreement to the contrary is superseded by this condition.

- f. If the Agreement requires that it be governed by a state's law, other than the State of California, such requirement may be unenforceable.
- gf. This Agreement is revised to state that all initial fees and payments due to Franchisor before Franchisee opens for business are deferred until Franchisor completes its pre-opening obligations to Franchisee and Franchisee opens for business.
- 2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the California law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.
- 4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on

FRANCHISEE	FRANCHISOR	
	UNITED COUNTRY REAL ESTATE, LLC d/b/a UNITED COUNTRY REAL ESTATE	
By:	By:	
Date of Execution by Franchisee:	Date of execution by United Country Real Estate:	
PRINCIPALS		

AMENDMENT TO UNITED COUNTRY REAL ESTATE, LLC MEMBER BROKER FRANCHISE AGREEMENT FOR THE STATE OF ILLINOIS

The United Country Real	Estate, LLC Member Broker Franchise Agreement between
("	Franchisee" or "You") and United Country Real Estate, LLC
("Franchisor") dated	(the "Agreement") shall be amended by the
addition of the following language.	which shall be considered an integral part of the Agreement
(the "Amendment"):	

ILLINOIS LAW MODIFICATIONS

1. The Illinois Attorney General's Office requires that certain provisions contained in franchise documents be amended to be consistent with Illinois law, including the Franchise Disclosure Act of 1987, Ill. Rev. Stat. ch. 815 para. 705/1 – 705/44 (1994). To the extent that this Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

a. Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to You concerning nonrenewal and termination of this Agreement. If this Agreement contains a provision that is inconsistent with the Act, the Act shall control.

Illinois law governs the Franchise Agreement.

b. Any release of claims or acknowledgments of fact contained in the Agreement (including the second sentence of Article 19.1 and the first sentence of Article 19.3) that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Act, or a rule or order under the Act shall be void and are hereby deleted with respect to claims under the Act.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

c. This Agreement requires litigation to be conducted in a forum other than the State of Illinois. The requirement is void with respect to claims under the Illinois Franchise Disclosure Act.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

- d. This Agreement requires that it be governed by a state's law, other than the State of Illinois. However, Illinois law shall control and govern this Agreement.
- e. This Agreement is hereby amended to state that the representations made in the Franchise Disclosure Document are not excluded from that on which Youmay rely.

f. This Agreement is hereby amended to state that In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois is void.

g. Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in this Agreement is inconsistent with Illinois law, Illinois law shall control.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Sections 2.1 and 2.2 of the Franchise Agreement are modified to reflect that Franchisor must defer the payment of all initial fees payable to Franchisor until Franchisor has fulfilled all of its material pre-opening obligations to Franchisee and Franchisee has commenced doing business pursuant to the Franchise Agreement. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition. Accordingly, notwithstanding anything to the contrary contained in the Franchise Agreement, Franchisee must pay Franchisor the Franchise Fee payable to Franchiser at the time Franchisor has fulfilled all of its material pre-opening obligations to Franchisee and Franchisee has commenced doing business pursuant to the Franchise Agreement.

[COMPLETED AND EXECUTED ON THE FOLLOWING PAGE]

- 3. Each provision of this Amendment shall be effective only to the extent that the jurisdictional requirements of the Illinois Franchise Disclosure Act, with respect to each such provision, are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.
- 4. As to any state law described in this Amendment that declares void or unenforceable any provision contained in the Franchise Agreement, Franchisor reserves the right to challenge the enforceability of the state law by, among other things, bringing an appropriate legal action or by raising the claim in a legal action or arbitration that you have initiated.

IN WITNESS WHEREOF, Franchisee acknowledges that it has read and understands the contents of this Amendment, that it has had the opportunity to obtain the advice of counsel, and that it intends to comply with this Amendment and be bound thereby. The parties have duly executed and delivered this Amendment to the Agreement on ______,

FRANCHISEE	FRANCHISOR	
	UNITED COUNTRY REAL ESTATE, LLC d/b/a UNITED COUNTRY REAL ESTATE	
By:	By:	
Date of Execution by Franchisee:	Date of execution by United Country Real Estate:	
PRINCIPALS		
	<u> </u>	

AMENDMENT TO UNITED COUNTRY REAL ESTATE, LLC MEMBER BROKER FRANCHISE AGREEMENT FOR THE STATE OF MARYLAND

("Franchisee" or "You") and United Country Real Estate, L	LC
("Franchisor") dated (the "Agreement") shall be amended by	the
addition of the following language, which shall be considered an integral part of the Agreem	ient
(the "Amendment"):	

MARYLAND LAW MODIFICATIONS

1. The Maryland Securities Division requires that certain provisions contained in franchise documents be amended to be consistent with Maryland law, including the Maryland

- c. Franchise Act, Sec. 80C.14, Subd. 3., requires, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure). If the Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Franchise Act, the provisions of the Agreement shall be superseded by the Act's requirements and shall have no force or effect.
- d. If the Agreement and/or the Franchise Disclosure Document requires Franchisee to execute a release of claims or to acknowledge facts that would negate or remove from judicial review any statement, misrepresentation or action that would violate the Franchise Act, such release shall exclude claims arising under the Franchise Act, and such acknowledgments shall be void with respect to claims under the Act.
- e. If the Agreement and/or the Franchise Disclosure Document requires that it be governed by a state's law, other than the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.
- f. If the Agreement and/or the Franchise Disclosure Document requires Franchisee to sue Franchisor outside the State of Minnesota, those provisions shall not in any way abrogate or reduce any rights of Franchisee as provided for in the Franchise Act, including the right to submit matters to the jurisdiction of the courts of Minnesota.
- g. Minn. Rule 2860.4400J. prohibits Franchisor from requiring You to consent to liquidated damages and prohibits waiver of a jury trial. If the Agreement and/or the Franchise Disclosure Document contains a provision that is inconsistent with the Minn. Rule, the provisions of the Agreement and/or the Franchise Disclosure Document shall be superseded by the Minn. Rule's requirements and shall have no force or effect.
- h. Based upon the franchisor's financial condition, the Minnesota Department of Commerce has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the Agreement.
- 3. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
- 4. Each provision of this Agreement and/or the Franchise Disclosure Document shall be effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment shall have no force or effect if such jurisdictional requirements are not met.